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Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: FEBRUARY 21 EA PRESS SUMMARY

1. INDONESIA

NYT CARRIES (2/19) REUTER PIECE ON EA'S OAKLEY'S
2/15 TESTIMONY BEFORE HOUSE INTL RELS SUBCMTE IN WHICH
HE EXPRESSED CONCERN OVER GOI'S STUDENT ARRESTS/TEMPORARY
SUSPENSION OF MAJOR NEWSPAPERS. SAID THESE WERE RELATED
TO UPCOMING ELECTIONS, NOT PART OF GOI PLAN TO CURB
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2. CAMBODIA/VIETNAM

OVER WKEND, PP RADIO REPORTED SEVERAL VIET INCURSIONS
INTO SPARSELY POPULATED CAMBODIA NE BORDER REGION, BUT
SAID ATTACKS HAD BEEN REPULSED (REUTER BANGKOK, NYT
2/19).

ACCORDING WSTAR'S BRADSHER (2/19), FRUSTRATION GROWING

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IN HANOI OVER INABILITY RESOLVE CONFLICT W/CAMBODIA. SAYS VIET TROOPS MOVING SOUTH REINFORCEMENTS/THERE IS INCREASING POSSIBILITY OF MAJOR NEW VIET ATTACK. OBSERVES HANOI SEEMS FIND ITSELF IN SOMEWHAT SAME SITUATION THAT

US LONG AGONIZED OVER DURING VN WAR; BUT, IN HANOI'S CASE, SAYS MIL SOLUTION WOULD MEAN FORCING OUT PRESENT CAMBODIAN LEADERSHIP.

3. VIETNAM

VIET NEWS AGENCY REPORTED UN AMB DINH BA THI, EXPELLED FROM US, RETURNED TO HANOI 2/17/WAS GREETED AT AIRPORT BY FONMIN OFFICIALS (REUTER HK 2/17).

UPI (HK) REPORTS SAIGON STREET URCHINS PLACED IN SPECIAL REHABILITATION SCHOOLS WHERE THEY LIVE/STUDY/LEARN TRADES (NYT 2/19).

4. INDOCHINA REFUGEES

NYT'S KAMM (UBON RATCHATHANI 2/18) QUOTES GOV UBON PROVINCE THAT FOR LAST 3 MONTHS RTG RETURNING LAO REFUGEES TO

LAOS, SOMETIMES HANDING THEM OVER TO POLICE/SOLDIERS, WHO MISTREAT THEM IN SIGHT OF THAI OFFICIALS. SAYS DISCLOSURE GREETED W/DISTRESS BY US/UN OFFICIALS AS 1ST OFFICIAL WORD THAT RTG HAS PUT INTO EFFECT POLICY WHICH WAS THOUGHT TO HAVE BEEN HELD IN ABEYANCE. QUOTES US OFFICIAL THAT WHATEVER MOTIVATION FOR REFUGEES' ESCAPE, HIS FLIGHT WOULD BE CONSIDERED POL ACT BY LAOS/CAMBODIA/VN AND, IF RETURNED TO HIS COUNTRY, WOULD SUFFER POL PERSECUTION. GOV SAID AT LEAST 300 HAD BEEN SENT BACK FROM HIS PROVINCE SINCE 11/15.

MALAYSIAN PM SAYS GOM WILL HAVE START TURNING AWAY VIET REFUGEES IF MANY MORE ATTEMPT SETTLE THERE (CSM).

5. JAPAN

JAPAN'S LARGEST PLYWOOD MFR/MAJOR HOMEBUILDER, EIDAI SANGYO, DECLARED BANKRUPTCY 2/10 IN WHAT BELIEVED JAPAN'S 2ND LARGEST CORPORATE INSOLVENCY SINCE WWII. DOMESTIC IMPACT EXPECTED BE CONSIDERABLE, ESPEC IN FINANCIAL CIRCLES WHICH HAD PURCHASED 10-MIL-DOLS WORTH FIRM'S BONDS. BANKRUPTCY ENDED 5-YR STRUGGLE BY 5 MAJOR BANKS TO SAVE FIRM, WHICH LEFT 750 MIL DOLS IN DEBTS (MALCOLM, NYT TOKYO; MARTIN, SUN TOKYO).

TOA DOMESTIC AIRLINES WILL DECIDE BY END '78 WHETHER BUY US-MADE OR EUR-MFRD WIDE-BODY JETLINERS. TOA PRES TANAKA

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SAYS GOJ NEVER URGED FIRM PURCHASE EUR PLANE ALTHO TOA PREPARED COOPERATE IN REDUCING JAPAN'S TRADE SURPLUS W/EC (REUTER TOKYO).

JAPAN HAD ESTIMATED 240-MIL-DOL CURRENT ACCOUNT TRADE DEFICIT IN JANUARY--1ST DEFICIT IN 12 MONTHS (WP 2/18).

FORD MOTOR CO NEGOTIATING W/TOYO KOGYO FOR PURCHASE TRANSMISSION/AXEL SYSTEMS FOR FUTURE SMALL CARS (WSJ).
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TOYOTA TO RAISE US PRICES '78 CARS/TRUCKS BY 1.6 PCT (WSJ).

6. KOREA

IN SURPIRSE DECISION CONFIRMED 2/18, ISRAEL HAS TOLD ROKG IT WILL CLOSE ITS SEOUL EMB SOON. ISRAELI AMB RON, HOWEVER, SAID MOVE DID NOT MEAN DIPLO RELS BROKEN, AND WHEN "PREVAILING SITUATION" CHANGES, DECISION COULD BE REVERSED. STATEMENT SEEN REFERRING TO SK'S INCREASINGLY PRO-ARAB POSITION (NYT 2/18).

AT 2/18 HONOLULU NEWS CONF, SECDEF BROWN SAID US WILL INCREASE AIR STRENGTH IN SK OVER NEXT FEW MONTHS W/AT LEAST DOZEN F-4 FIGHTERS. BROWN SAID ADMIN PROCEEDING W/ TROOP W/DRAWAL PLAN DESPITE UNCERTAIN CONGRESSIONAL REACTION. STATED WOULD BE "VERY SERIOUS MATTER" IF CONGRESS DID NOT APPROVE NECESSARY TRANSFERS/FON MIL SALES CREDITS TO SK (WEINRAUB, NYT 2/19).

IN LONG STATEMENT ADDRESSED TO PRES CARTER, SKOREAN DISSIDENTS HAVE DESCRIBED DOS HUMAN RTS REPORT AS APOLOGY, BASED ON "SUPERFICIAL OBSERVATION," THAT DEFENDS PRES PARK'S RESTRICTION OF HUMAN RTS. STATEMENT READ/DISTRIBUTED AT SEOUL CHURCH PRAYER MTG 2/19 (NYT 2/19).

WSTAR'S SARRO (2/17) REPORTS CAPITOL HILL INVESTIGATORS MIFFED OVER SNAG IN TONGSUN PARK RETURN. HOWEVER, SAYS INVESTIGATORS DELIBERATELY BEING RESTRAINED ABOUT DELAY--REPORTEDLY DUE PARK'S HEALTH--IN ORDER NOT ALIENATE SKOREAN OFFICIALS. PARK DUE RETURN US IN ABOUT WK.

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7. PHILIPPINES

LAT'S MCARTHUR (MANILA 2/17) REPORTS TRIBAL/IDEOLOGICAL DIFFERENCES SAID TO HAVE DRIVEN WEDGE BETWN MOSLEM LEADERS IN PHILS. REVIEWS DISPUTE AMONG MOSLEM CHIEFS WHICH

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APPARENTLY WEAKENED POSITION NUR MISUARI. OVSERVERS
UNSURE WHAT EFFECT SPLIT WILL HAVE ON REBEL FIGHTING, BUT
MOST AGREE IT WILL COMPLICATE ANY NEGOTS W/GOP.

PRES MARCOS ANNOUNCED TUES HE IS PREPARED RELEASE AQUINO
TO CONTEST FORTHCOMING NATL ELECTIONS, BUT NOT UNTIL LEGAL
ISSUES SETTLED. SPEAKING TO REPORTERS, MARCOS SAID LEGAL
QUESTIONS ARE BEFORE NATL SECURITY COUNCIL'S EXEC CMTE,
THAT HE EXPECTS HAVE REPORT BEFORE NEXT WK ON "MY FRIEND
'NINOV'" (REUTER MANILA).

8. THAILAND

AMCIT SARAH CHILD/2 AUSSIE CAMPANIONS, CHARGED TUES IN
CRIMINAL COURT W/POSSESSING EXPLOSIVES (REUTER BANGKOK).

9. AUSTRALIA

JOC'S STOVE (SYDNEY) SAYS AUSTRALIA CONTINUING PRESSURE
EC TO ALLOW GREATER ACCESS FOR AUSSIE EXPORTS, WARNING EC
EXPECT SHARP REPRISALS UNLESS IT MAKES CONCESSIONS. NOTES
GOA HAS REPORTEDLY THREATENED EC W/CUTOFF IN RAW MATERIALS
SUPPLY/BAN ON CONCORDE LANDINGS.

10. CHINA

SOVIET UNION 2/19 OFFICIALLY DENIED HR HALDEMAN'S CLAIM
THAT IN '69 IT ASKED US TO JOIN IN NUKE ATTACK ON PRC.
DENIAL PUBLISHED IN TASS WHICH REPORTED IT WAS "AUTHORIZED
TO STATE" THAT HALDEMAN'S CLAIMS WERE FALSE/DESIGNED ONLY
FOR "PROVOCATIVE PURPOSES" (MOSCOW, WSTAR 2/20). MEAN-
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WHILE, PRC REFUSED COMMENT ON HALDEMAN ACCOUNT AS
REVEALED IN HIS BOOK "THE ENDS OF POWER." HOWEVER,
UNIDENTIFIED US OFFICIAL IN PEKING SAID SOVIET PLAN TO
ATTACK CHINA WAS COMMON KNOWLEDGE BUT HE DOUBTED US WAS
INVITED TO TAKE PART (AP MOSCOW, SUN, 2/18; WP 2/20).
EARLIER ON, 2/17 TASS BRANDED HALDEMAN ACCOUNT AS "A LIE
FROM BEGINNING TO END," ADDING THAT "NEVERTHELESS SOME
AMERICAN NEWSPAPERS CONTINUE SPREADING THE FABRICATION"
(KLOSE WP, MOSCOW, 2/18; MOSCOW REUTER 2/17).

NYT'S WHITNEY (MOSCOW 2/18) NOTES HOWEVER THAT '69 WAS
TIME OF TENSION/FEAR OF SINO-SOVIET NUKE WAR. IDEOLOGICAL
RIVALRY BETWN TWO HAD DEGENERATED INTO SHARP DISPUTE ABOUT
LEGALITY OF LARGE PARTS OF BORDER. WHITNEY ALSO OBSERVES
THAT IN SEPT '69 VICTOR LOUIS, SOVIET CITIZEN WHO WRITES
FOR LONDON EVENING NEWS AND BELIEVED TO HAVE CLOSE
CONNECTIONS W/SOVIET OFFICIALS, WROTE THAT RUSSIANS MIGHT
START SURPRISE ATTACK ON CHINA. YET, ABOUT SAME TIME,
PM KOSYGIN MADE SUDDEN VISIT TO PEKING W/PROPOSALS THAT

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EVENTUALLY COOLED DOWN DISPUTE. NOTES THAT HALDEMAN ACCOUNT REGARDED W/CONSIDERABLE SKEPTICISM IN US EVEN

BEFORE TASS DENIAL PUBLISHED.

SMITH (NYT 2/18) FURTHER NOTES SKEPTICISM EVOKED IN US BY HALDEMAN ACCOUNT. REPORTS FORMER SECSTATE ROGERS SAID THAT WHILE US TOOK SINO-SOVIET TENSIONS SERIOUSLY, US DID NOT REGARD SOVIET NUKE ATTACK ON CHINA AS LIKELY. RATHER, US INTERPRETED SOVIET MIL BUILDUP ALONG BORDER AS POSTURING INTENDED TO EXTRACT POL CONCESSIONS FROM PEKING. AP SUN (2/18) ITEM REPORTS THAT SOVIET KGB AGENT BORIS DAVYDOV APPROACHED US DIPLOMAT WM STEARMAN IN '69 TO ASK WHAT WOULD BE USG ATTITUDE IF RUSSIANS LAUNCHED PRE-
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EMPTIVE NUKE STRIKE ON CHINA. STEARMAN TOLD DAVYDOV THAT USG WOULD REGARD SUCH ATTACK AS SERIOUS THREAT TO WORLD PEACE; THEN REPORTED CONVERSATION TO SUPERIORS AND FROM THERE, WORD CONVEYED TO NIXON. THIS ACCOUNT, AP REPORTS, WAS GIVEN IT BY "WELL-PLACED SOURCE WHO ASKED THAT HIS NAME NOT BE USED." ITEM NOTES IT CORROBORATES ACCOUNT GIVEN BY HALDEMAN IN BOOK. SAME SOURCE HOWEVER FLATLY REJECTED HALDEMAN'S STATEMENT THAT RUSSIANS MADE OVER-
TURES TO US FOR JOINT VENTURE AGAINST PRC.

ACCORDING TO NCNA, 5TH NPC WILL CONVENE 2/26. CONGRESS EXPECTED TO APPROVE POLICIES LAID DOWN SINCE MAO'S DEATH; PURGES AGAINST RADICALS LED BY GANG OF FOUR/REVISION OF CONSTITUTION (HK, WSTAR 2/20; PEKING WP, 2/19). MORITZ (CSM HK) REPORTS THAT POSITION OF PRESIDENT EXPECTED TO BE RESTORED BY NEW CONGRESS. ANALYSTS SPECULATE THAT EITHER HUA KUO-FENG OR TENG HSIAO-PING MAY TAKE THAT POST OR THAT HUA MAY GIVE UP POST OF PREMIERSHIP TO EITHER TENG OR LI HSIEN-NIEN. ACCORDING TO SOME ANALYSTS, HUA IS TRANSITIONAL FIGURE WHOSE AUTHORITY IS INCREASINGLY THREATENED BY TENG. THURS, THESE ANALYSTS SAY, HUA WILL BE ELEVATED TO POST AS HEAD OF STATE AS WAY OF LESSENING HIS AUTHORITY WHILE TENG OR A CLOSE ALLY WILL ASSUME PREMIERSHIP AND REAL POWER THAT GOES W/IT. OTHERS, HOW-
EVER, BELIEVE THIS LINE OF REASONING EXAGGERATES RIVALRY BETWN HUA/TENG, THAT TWO ACTUALLY WORKING IN PARTNERSHIP AND NEED EACH OTHER.

ACCORDING TO NANKING NEWSPAPER ACCOUNT, TWO MINOR CCP OFFICIALS VIOLATED HUMAN RIGHTS OF TAX COLLECTOR AND SUBSEQUENTLY WERE PUNISHED FOR ACTIONS. THIS ACCOUNT MARKS 1ST TIME PRC HAS EVER RAISED HUMAN RTS AS DOMESTIC ISSUE (UPI HK, WP).

JOC DOES 28-PG SPECIAL SECTION ON INVESTMENT/TRADE OPPORTUNITIES IN HK. TEXTILES, ELECTRONICS, SHIPPING/

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FREIGHT INDUSTRIES HIGHLIGHED AS WELL AS BANKING/TOURISM

SECTORS ECONOMY. SECTION FILLED W/SEVERAL HALF/FULL PG
ADS PLACED BY HK FIRMS/BANKS.

BUTTERFIELD (NYT TAIPEI 2/18) REPORTS THAT SEVERAL ROC
SECURITY AGENCIES CONCERNED BY INTELLIGENCE REPORTS THAT
PEKING BEGAN ESTABLISHING LARGE NUMBER SPECIAL "WORK
TEAMS" IN '77 TO INFILTRATE ROC. ACCORDING TO MAJ/GEN
TUAN CHIA-FENG, SPOKESMAN FOR ROC GARRISON COMMAND, TEAMS
MAY REPRESENT PART OF PRC STRATEGY DEVISED BY MAO'S
SUCCESSORS TO TAKE OVER ROC W/O ARMED INVASION. BUTTERFIELD
NOTES THAT FEARS OF INCREASED COMMUNIST SUBVERSION
HEIGHTENED BY CONVICTION OF 6 TAIWANESE IN JAN FOR SENDING
THREATENING LTRS TO FON BUSINESSMEN IN NAME OF PRO-
COMMUNIST GROUP, TAIWAN PEOPLE LIBERATION FRONT. DESPITE
FACT THAT GROC STARTED MINOR CAMPAIGN IN RECENT MONTHS
TO UNCOVER COMMUNISTS, NO REAL COMMUNIST EFFORTS AT
INFLITRATION HAVE BEEN DISCLOSED. BUTTERFIELD OFFERS
THAT GREATER DANGER TO NATIONALIST CONTROL MAY STEM FROM
RESENTMENT MANY TAIWANESE FEEL AGAINST MAINLANDERS'
CONTINUED POL DOMINANCE OF ISLAND.

11. GENERAL

IN 2/20 WORLD AFFAIRS COUNCIL SPEECH, DOD SEC BROWN SAID
US RETAINS POWERFUL COMMITMENT TO PAC REGION/WILL REMAIN
"MAJOR FORCE" THERE. STRESSED ADMIN'S FOCUS ON
ATLANTIC ALLIANCE NOT AT EXPENSE US ASIAN POSTURE.
EXPRESSED CONCERN VN "MIGHT UNDERTAKE AN ADVENTURISTIC
POLICY AGAINST NON-COMMUNIST NEIGHBORS." PLEDGED EXPANSION/
MODERNIZATION US PAC FLEET. NOTING PERCEPTION BY SOME
THAT US W/DRAWING FROM ASIA, SAID "THAT PERCEPTION IS,
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QUITE SIMPLY, WRONG" (WEINRAUB, NYT).

UPI'S KAYLOR (WP) NOTES EXPANSION/MODERNIZATION PLANS INCL
INSTALLING CRUISE MISSLES IN B52 BOMBERS AT GUAN/STATIONING
100-MIL-DOL RADAR/COMMAND PLANES IN ASIA/EQUIPPING US PAC
AIR UNITS W/F15 EAGLE. SUN'S CORDDRY CITES BROWN'S
WARNINGS OF POSSIBLE CHANGES "OF FUNDAMENTAL
SIGNIFICANCE" IN SINO-SOV RELS/NK-SK CONFLICT WHICH COULD
"EMBROIL THE GREAT POWERS"/FALTERING OF ECON DEVELOPMENT
IN NON-COMMUNIST NATIONS.

COMMENT AND ANALYSIS

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12. VIETNAM

NYT (EDIT 2/19) SAYS MOST PROFOUND CONSEQUENCES OF TET ARE NOW PLAIN--IT EXPOSED NEW US CONSENSUS, THUS DESTROYING

CONSENSUS FOR CONTAINING COMMUNISM ALMOST ANYWHERE OUR LEADERS THOUGHT NECESSARY, AT VIRTUALLY ANY PRICE. NOTES PRES CARTER INHERITED HOST OF COMMITMENTS/INVOLVEMENTS ON ALL CONTINENTS--AND MUCH DIMINISHED AUTHORITY TO MANAGE THEM. SAYS CARTER UNDERSTANDS SHIFTS OF PUBLIC SENTIMENT, HAS TRIED ADJUST POLICY TO THEM, BUT HAS BEEN UNABLE LOCATE NEW DOCTRINES TO SHAPE ORDER OF OUR INTERESTS.

NYT SAYS HE HAS DE-EMPHASIZED DANGER OF COMMUNISM/PRO-CLAIMED INSTEAD OVERRIDING DEDICATION TO HUMAN RTS, TO NUKE DISARMAMENT AS WELL AS ARMS CONTROL, TO FON AID INSTEAD OF ARMS SALES. CONCLUDES MUCH HAS BEEN GAINED FROM COLLAPSE OF CONSENSUS THAT GOT US INTO VN, "BUT WITH NO COMPARABLY CLEAR PURPOSE IN ITS PLACE, SOMETHING HAS ALSO BEEN LOST."

13. CAMBODIA

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WP'S SIMONS (2/19) DOES LONG PIECE ON CAMBODIA, SAYS NO ONE KNOWS ANYTHING FOR SURE ABOUT COUNTRY, REPORTS SHOULD BE TREATED W/SKEPTICISM. QUOTES NOAM CHOMSKY, MIT LINGUIST, THAT HAK SET STAGE IN '73 FOR BLOODBATH THESIS BY BOMBING CAMBODIA TO "EMBITTER THE ENEMY." QUOTES GARETH PORTER, FORMERLY W/INDOCHINA RESOURCE CENTER, THAT US DIPLOS, WHO PREDICTED MILLIONS WOULD STARVE WHEN US PULLED OUT, WANTED SAVE THEIR REPUTATIONS, SO INVENTED GENOCIDE CLAIM. SIMONS SAYS "CAMBODIA NO LONGER COUNTS FOR ANYTHING" IN US, SITS ON BACK BURNER "SWIFTLY LOSING EVEN ITS FEW FRIENDS HERE."

14. CAMBODIA/THAILAND

FROM UBON RATCHATHANI, NYT'S KAMM SAYS THAIS "VERY, VERY UNHAPPY" OVER DISAPPEARANCE THAI FAMILIES INTO CAMBODIA, ABDUCTED, ACCORDING FONMIN UPPADIT, BY CAMBODIAN TROOPS/THAI INSURGENTS. UPPADIT SAID ATTACKS MIGHT BE RESULT POOR COMMUNICATIONS IN CAMBODIA OR LACK DISCIPLINE BY FIELD CMRDS.

KAMM SAYS SINCE KRIANGSAK CAME TO POWER, RTG AT PAINS TO REDUCE TENSION W/PP, GOES TO GREAT LENGTHS NOT HOLD CAMBODIAN GOVT RESPONSIBLE FOR FREQUENT INCURSIONS. SAYS DEEP DIVISIONS EXIST IN THAILAND ABOUT THIS POLICY. QUOTES SOME ANALYSTS THAT INCREASE IN BORDER ATTACKS IS RESULT OF UNHAPPINESS AMONG DISSENTING CAMBODIAN FORCES/

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THAI INSURGENTS OVER POSSIBILITY NORMALIZED RELS/IS INTENDED SABOTAGE PROCESS.

KAMM NOTES RTG CONSIDERS SUBJECT SO SERIOUS THAT THAI PRESS HAS HARDLY REPORTED MASS KIDNAPPINGS. QUOTES SOURCE THAT THERE IS LITTLE HOPE FOR RETURN OF VILLAGERS: UNCLASSIFIED

IF PP GOVT RESPONSIBLE, UNLIKELY IT WILL RETURN VICTIMS; IF KIDNAPPERS DISSIDENTS, IMPROBABLE THAT GOVT COULD PRY THEM FREE EVEN IF IT WANTED TO.

15. THAILAND

IN ANOTHER IN SERIES ON PROTECTIONISM, JOC'S LORENZ (BANGKOK) SAYS THAILAND'S NEW PROTECTIONIST BAN NOT CONSIDERED GROUNDSHAKING, THAT PRESTIGE-CONSCIOUS RESIDENTS INFORMED WELL IN ADVANCE OF BAN ON MERCEDES/ OTHER FON-MADE VEHICLES. SAYS NO GREAT HARDSHIPS EXPECTED, SINCE MOST BANNED ITEMS PRODUCED LOCALLY. SEES MALAYSIA/ SINGAPORE IN FAR MORE VULNERABLE POSITIONS W/AUSTRALIA COMING DOWN HARD ON MALAY GOODS AND UNEMPLOYMENT IN WEST ADVERSELY AFFECTING SINGAPOREAN GOODS.

16. INDOCHINA REFUGEES

"INTL RESCUE CMTE" CALLS FOR LONG-RANGE US PROGRAM TO ADMIT MORE INDOCHINESE REFUGEES. CITIZENS CMTE SAYS REFUGEES' PLIGHT "COMPARES IN TRAGEDY, DEPTH OF DESPAIR AND URGENT NEED OF ASSISTANCE" TO ANY GROUP IN LAST 50 YRS. AT 2/18 NEWS CONF, GROUP CHRMN CHERNE SAID HE FELT NEITHER PRES CARTER/SECY VANCE HAS EXPRESSED SUFFICIENT CONCERN FOR REFUGEES.

AMONG "IRC'S" SPECIFIC RECOMMENDATIONS: ELIMINATION ALL CRITERIA FOR ADMISSION; MORE GENEROUS APPLICATION IMMIGRATION CRITERIA TO LAOTIAN REFUGEES; DROPPING OF DISTINCTION BETWN POL/ECON REFUGEES; APPEAL TO MARITIME COUNTRIES TO ALLOW SHIPS CARRYING REFUGEES ENTER THEIR PORTS (KAMM, NYT; AP, WSTAR, BOTH BANGKOK 2/19).

DIR "US CATHOLIC CONFERENCE MIGRATION/REFUGEE SERVICES" URGES ESTABLISHMENT "FREE PORT" SOMEWHERE IN SEASIA WHICH WOULD ALLOW REFUGEES TEMPORARY HAVEN UNTIL THEY CAN BE UNCLASSIFIED

LOCATED ELSEWHERE. SAYS NORMALLY "FREE PORT" APPLIES TO FACILITY WHERE GOODS HANDLED FREE OF CUSTOMS DUTY/REGS; ASKED: "CAN WE DO LESS FOR HUMAN BEINGS?" (WILLOUGHBY, WSTAR 2/18).

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17. JAPAN

IN ITEM ON US COAL STRIKE, JANEWAY (WSTAR 2/19) ASKS WHY PRESSURE JAPANESE TO CUT STEEL EXPORTS IF US MILLS WILL BE FORCED SHUT DOWN ANYWAY? WONDERS WHY SEND STRAUSS TO JAPAN TO PROPOSE OPEN DOOR FOR US EXPORTS IF COAL FLOW JAPAN SEEKS JEOPARDIZED? REMARKS STRAUSS' MISSION TO NEGOTIATE GREATER US EXPORTS TO JAPAN "LAUDIBLE AND PRACTICAL," BUT SAYS METHOD TO ACHIEVE GOAL IS BY LINKING "AMERICAN SPECIALTIES" JAPAN DOESN'T NEED W/US STAPLES--LIKE COAL--JAPAN VITALLY NEEDS. SUGGESTS BALANCING "CHIPS" WE WANT PUT ON TOKYO BARGAINING TABLE W/"COAL CHIPS" ALREADY THERE.

18. CHINA

KARNOW (SUN 2/20) WRITES THAT CARTER ADMIN "BLUNDERED AGAIN" WHEN WOODCOCK CAME OUT IN FAVOR OF ABANDONING RELS W/TAIWAN AND ACCORDING PRC FULL RECOGNITION. SAYS WHILE HE AGREES W/WOODCOCK'S POSITION, BY SPEAKING OUT ON OWN W/O CONSULTING WH/DOS, WOODCOCK DID NOT MAKE IT ANY EASIER FOR PRES FULFILL ULTIMATE HOPE OF ESTABLISHING NORMAL RELS W/PRC. SAYS US COULD MEET PRC'S THREE CONDITIONS FOR NORMALIZATION TOMORROW W/"VIRTUALLY NO DANGER" OF CONFLICT IN AREA. BUT THIS REALITY BLURRED BY WIDESPREAD MISPERCEPTION IN US THAT BY ABROGATING MUTUAL DEFENSE TREATY W/ROC, US WOULD BE SACRIFICING ISLAND TO COMMUNIST RULE.
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KARNOW SAYS DILEMMA FOR PRES IS THAT THIS MISPERCEPTION HAS BECOME "REALITY THAT HE CANNOT EVADE." CARTER CANNOT BEGIN LOBBY ON CAPITOL FOR CHANGE IN RELATIONSHIP SO LONG AS STRUGGLING TO WIN APPROVAL PANAMA CANAL TREATY/SALT/MIDDLE EAST ISSUES. FOR WOODCOCK TO PROD PRES NOW IS "DISSERVICE," SIGNALS PRC THAT US AMB, WHO IS SUPPOSED TO BE "TOUGH NEGOTIATOR," IS PREPARED CONCLUDE DEAL W/O BARGAINING FOR SOMETHING IN EXCHANGE. SAYS WOODCOCK'S ACTIONS EXAMPLE OF "CLIENTISM"--WHEN ENVOY BEGINS REPRESENT COUNTRY ASSIGNED TO RATHER THAN US--AND ALSO ANOTHER EXAMPLE OF "AMATUERISM," WHICH "HAS BECOME ALL TOO CHARACTERISTIC" OF CARTER ADMIN'S CONDUCT ABROAD.

COMPANION ITEM BY THOMAS THOMPSON (POL SCI PROF AT UNIV OF OREGON) STATES NORMALIZATION US/PRC RELATIONS URGENT/"UNFORTUNATE SITUATION" THAT PANAMA, SALT,MIDEAST HAVE MADE CHINA POLICY LOW PRIORITY FOR ADMIN. SAYS BEFORE LONG, PRC WILL ACQUIRE MIL POWER TO CONQUER ROC, SO IN ANTICIPATION OF THAT CAPABILITY, NORMALIZATION SHOULD BE NEGOTIATED. NOTES SOME USG ANALYSTS FEAR NORMALIZATION

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MIGHT FORCE ROC ENHANCE OWN DEFENSES BY SEEKING SOVIET ARMS OR EMBARKING ON CRASH NUKE DEFENSE PROGRAM--AND THAT PRC REACTION TO THIS WOULD BE FORCEFUL.

THOMPSON SAYS THIS CRISIS SCENARIO IS ONE OF BEST REASONS OF ALL FOR SPEEDY NORMALIZATION, AS THAT AGREEMENT WOULD ALSO CONTAIN UNDERSTANDING ON TAIWAN ISSUE. CONCLUDES CARTER HAS IMMEDIATE OBLIGATION REDUCE CHANCE OF US/PRC CONFLICT, AND THIS CAN ONLY BE DONE THRU ESTABLISHING DIPLO RELS.

MICHAEL LINDSAY (PROF EMERITUS, AMERICAN UNIV), CASTIGATES US "LOW POSTURE" APPROACH TO CHINA. CITES USG'S SEEMING RELUCTANCE SAY ANYTHING THAT WOULD GIVE OFFENSE UNCLASSIFIED

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TO CHINESE, PARTICULARLY VIS-A-VIS TAIWAN, AND IN PROCESS, SUGGESTS US PREPARED GRANT CONSIDERABLE CONCESSIONS IN ORDER ATTAIN NORMALIZATION RAPIDLY. SAYS WOODCOCK'S RECENT COMMENTS INDICATE "LOW POSTURE APPROACH" STILL IN EFFECT.

LINDSAY SUGGESTS IF US WERE TO ABANDON ROC TO WIN PEKING'S FAVOR, THIS WOULD GIVE CHINESE LEADERS CAUSE SUSPECT THAT US WOULD HAVE EVEN LESS SCRUPLES ABOUT ABANDONING THEM IF IT SEEMED EXPEDIENT TO WIN SOVIET FAVOR. FURTHER SUGGESTS IF WOODCOCK COULD REASON CLEARLY AS CHINESE, HE MIGHT SUSPECT THAT PRC LEADERS INSISTENT ON TAIWAN ISSUE BECAUSE THEY WANT SOMETHING THEY CAN ONLY GET FROM US BEFORE SEEKING DETENTE W/SOVIETS (WP).

TINLEY AKAR, INFO OFFICER IN NYC "OFFICE OF TIBET" (NYT 2/18), DECRIES FACT THAT TIBETANS WHO BECAME CITIZENS OF US/CANADA MUST HAVE CHINA, RATHER THAN TIBET, AS COUNTRY OF BIRTH ON PASSPORTS. OBSERVES MOST TIBETANS WHO APPLIED FOR PASSPORTS WERE BORN IN TIBET IN '40S WHEN IT WAS DE FACTO/DE JURE INDEPENDENT NATION.

AKAR SAYS CHINESE VERY SENSITIVE ABOUT TIBET ISSUE "BECAUSE OF THEIR INSECURITY AND TIBETAN RESISTANCE TO CHINESE RULE." THUS US/CANADA FEAR HOSTILE CHINESE REPERCUSSIONS, SO 2 COUNTRIES TAKE EVERY PRECAUTION TO AVOID OFFENDING "SHORT-TEMPERED" PEKING REGIME.

BUTTERFIELD (NYT HK 2/20) OBSERVES RECENT FLURRY PRC FON ACTIVITY: TENG VISITS TO BURMA/NEPAL; SIGNING BY PRC OF TRADE AGREEMENTS W/EC AND JAPAN--UNDERSCORES NEW DIRECTION FON POLICY THAT NEW LEADERSHIP HAS BEGUN UNDER-TAKE. THIS POLICY, BUTTERFIELD SAYS, IS "REALISTIC"/ UNCLASSIFIED

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"OUTWARD-LOOKING," PRAGMATICALLY DESIGNED SPEED CHINA'S DEVELOPMENT. WHILE PEKING STILL INSISTS ITS POLICY IS ONLY EXTENSION OF MAO'S IDEALS, BUTTERFIELD SUGGESTS, SUCCESSORS HAVE PUSHED MAO PRINCIPLES SO FAR THAT BECOME OPEN QUESTION WHETHER THEY HAVE TRANSFORMED THEM INTO NEW APPROACH.

ON ANOTHER TOPIC, BUTTERFIELD OBSERVES PEKING HAS RECONCILED SELF TO SLOWNESS OF US MOVEMENT TOWARD NORMALIZATION. NOTES IN SECRET SPEECH GIVEN LAST SUMMER, FONMIN HUANG HUA ALLEGED TO HAVE TOLD OFFICIALS THAT PEKING NOT SATISFIED W/WASHINGTON'S PERFORMANCE BUT THAT IT ACCEPTED THAT THERE WOULD BE NO NORMALIZATION FOR 1-2 YRS. IN ANOTHER DISCLOSURE, HUANG SAID THAT WASHINGTON SHOULD BE TOLD THAT EVEN AFTER IT BROKE RELS W/ROC, PRC "WILL NOT W/IN NEXT DECADE USE FORCE TO LIBERATE TAIWAN."

19. GENERAL

JOC'S LAWRENCE PREDICTS CARTER ADMIN WILL ANNOUNCE THIS WK INTENTION NEGOT INTL PRICE-STABLILIZING AGREE FOR NATURAL RUBBER IN ATTEMPT ENCOURAGE PRODUCERS BOOST THEIR INVESTMENTS OVER NEXT FEW YRS TO AVERT POSSIBLE SHORTAGES BY MID-80S. SAYS US BEEN STUDYING INTL RUBBER AGREE PROPOSED LAST JUNE IN GENEVA BY LEADING RUBBER-PRODUCING COUNTRIES, INCL MALAYSIA/INDO/THAILAND/SINGA-PORE. VANCE

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